

## Session Edition X, 2003

April 24, 2003

*Published by the Research Division of the Tennessee House of Representatives*

**House Committee Activity: April 21 - 24, 2003**

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*The Higher Education Subcommittee (seen in the background) moved House Bill 787 to the full committee as amended on Wednesday. House Bill 787, with Representative Newton as sponsor, is the educational component of the lottery legislation.*

## **Subcommittee Closings**

The following committees and subcommittees have either closed or announced final calendars for 2003:

### **Agriculture**

Full Committee - Final Calendar, April 29th

### **Children & Family Affairs**

Domestic Relations - CLOSED

Family Justice - CLOSED

### **Commerce**

Indus. Impact - Final Calendar, April 29th

Small Business - Final Calendar, April 30th

Util. & Banking - Final Calendar, April 29th

### **Conservation & Environment**

Full Committee - Final Calendar, April 29th

Environment - CLOSED

Parks & Tourism - CLOSED

Wildlife - CLOSED

### **Consumer & Employee Affairs**

Full Committee - Final Calendar, April 30th

Consumer Affairs - CLOSED

Employee Affairs - CLOSED

### **Education**

Higher Ed - Final Calendar, April 29th

K-12 - Final Calendar, April 29th

### **Health & Human Resources**

Health Care Facilities - CLOSED

Mental Health - CLOSED

Professional Occupations - CLOSED

Public Health - Final Calendar, April 30th

### **Judiciary**

Civil Practice, -Final Calendar, April 30th

Criminal Practice - CLOSED

Judicial Admin. - Final Calendar, April 29th

*(continued)*

## Committee and Subcommittee Closings, cont.

### Judiciary, cont.

Constitutional Protections - Final Calendar, April 29th

### State & Local Government

Local Government - Final Calendar, April 29th

State Government - Final Calendar, April 29th

### Transportation

Public Transportation & Highways - CLOSED

Public Safety & Rural Roads - CLOSED

*Committee closings are subject to the call of their chairs.*

## Agriculture

*Matt Barnes*

The **Agriculture Committee** held what was supposed to be its last meeting Tuesday, April 22. However, Rep. Pinion requested the Committee stay open for one more week to hear **HB 0237** (Pinion), which permits coon dogs to be trained any time of year in Lake County so long as raccoons are not hunted except during open season. The bill was rolled one week. **HBs 0101** (Buck), **1051** (McCord), **1477** (Fitzhugh), and **1647** (Black) were taken off notice.

Rep. Bone introduced Mark Powell of the Wilson County 4-H Extension Service, and his father, former state 4-H director Ben Powell, who were here as part of the sheep exhibit outside Legislative Plaza. The younger Powell stated the sheep industry is ideally suited for Tennessee because of the extended growing season and mild winters and because the sheep are highly compatible with cattle, environmentally friendly, require little feed, and contribute to weed control. Major drawbacks include the offal, or waste, issue, which is difficult to manage due to the threat of scrapies disease, and the fact that it currently costs more to shear the sheep than can be earned from the sale of the wool.

Mr. Powell introduced 4-Hers Travis McPeak and Katie Dickson, who gave presentations on their experiences with raising sheep. The sheep that were outside Legislative Plaza belong to Miss Dickson. Both have won contests across the state and were made honorary members of the Agriculture Committee for the day upon a motion by Rep. Bone.

## **Children & Family Affairs**

*Shannon Romain*

### The Full Committee

The committee referred **HB 0875** (Rep. R. Johnson) to Calendar and Rules. The bill revises certain provisions of the adoption laws. As amended the bill does the following:

- Redefines "abandonment" to clarify that "failure to support a child", when asserted as a basis for abandonment, must be "willful";
- Permits a home study that has been completed or updated within one year to be valid;
- Removes the requirement for checking the putative father registry in cases of foreign adoptions;
- Removes the requirement for filing fee affidavits in cases of a foreign adoption unless the social worker, attorney or child-placing agency providing services in the underlying foreign country maintains offices in the United States;
- Adds food to the list of items adoptive parents are permitted to provide on behalf of the birthmother and extends the period of support of the birthmother from thirty to forty-five days;
- Changes the number of days before a child must be surrendered from three days to three "calendar" days;
- Changes the time a petition may be filed after receiving notification from the putative father registry from three days to ten working days;
- Clarifies the requirements for when the parental rights of persons who are not the legal parents or guardians may be terminated;
- Makes it clear that the jurisdiction of the adoption court supercedes and stays the jurisdiction of other courts regarding custody, visitation or guardianship;
- Changes all references to the Uniform Child Custody and Jurisdiction Act (UCCJA) to the Uniform Child Custody Jurisdiction and Enforcement Act (the UCCJEA) which replaced the UCCJA in 1999;
- Expedites the ability of adoptive parents to obtain a certified copy of the final order of adoption; and
- Permits the Department of Children's Services to release certain non-identifying information about the biological parents or legal family to the adoptive parents.

**HB 1080** (Rep. Patton) was also referred to Calendar and Rules. As amended, a violation of a custody or visitation order could be deemed a material change of circumstance for which a court could modify a previous decree under the parenting plan.

The following bills were deferred for one week:

**HB 1119** Rep. Shepard

**HB 1120** Rep. Shepard  
**HB 1146** Rep. John DeBerry  
**HB 2041** Rep. McMillan

### **Domestic Relations Subcommittee**

The subcommittee held its final meeting this week. The two bills on the calendar, HB 0861 (Rep. Bunch) and HB 1657 (Rep. John DeBerry) were taken off.

### **Family Justice Subcommittee**

The subcommittee also held its final meeting this week. HB 1079 (Rep. Patton) was referred to the full committee with a recommendation for an amendment. If amended, the bill will shift \$1.25 of the marriage license fee from the Centerstone Weems Academy, a special education school for behavioral disorders in Montgomery County managed by the Centerstone Community Mental Health Services, Inc., to the Urban Ministry Safe House, a domestic violence shelter. HB 1019 (Rep. Davidson) was taken off notice.

## **Commerce**

*Matt Barnes*

### **The Full Committee**

The **Commerce Committee** met Tuesday, April 22, with 11 bills on the calendar.

- Passed to Finance, Ways, and Means:

**HB 0262** (Shepard) has an amendment that rewrites the bill and makes a pharmacy benefits manager (PBM) responsible for payment to a pharmacy for an approved transaction if the PBM fails to notify the pharmacy within seven days that the responsible party failed to make a scheduled payment. The bill passed as amended.

**HB 0976** (Bowers) transfers the administration of Title V of the federal Older Americans Act, which deals with the employment of older workers, from the Commission on Aging and Disability to the Tennessee Department of Labor and Workforce Development. As in the Small Business Subcommittee, Representative Bowers again stated she would not offer any amendments to the bill

and would withdraw the bill if someone else added an amendment.

**HB 1958** (Vaughn) as amended, entitles a person to medication counseling by a doctor of pharmacy if such person is covered by health insurance and taking six or more prescribed medications. In its original form, the bill would have made the counseling sessions reimbursable through the patient's insurance coverage. The amendment offered in the subcommittee removes the mandate and makes the coverage permissive. The bill passed as amended.

- Passed to Calendar and Rules:

**HB 1277** (Hargett) requires real estate affiliate brokers to complete 30 hours of specified education within six months instead of one year of licensure. After January 1, 2005, such education must be completed prior to licensure to avoid automatic license expiration.

**HB 1279** (Hargett) requires real estate brokers licensed after January 1, 2005, to complete 16 hours of continuing education every two years.

**HB 1634** (West) makes various housekeeping changes to the law relative to licensure and disciplinary actions of polygraph examiners, makes changes to the issuance of internship permits, and provides for a Class C misdemeanor if, under certain circumstances, an examination is concluded without affording the examinee a reasonable opportunity to explain any deceptive reactions evident on the charts.

- Rolled one week:

**HB 1099** (Black) mandates insurance coverage for colorectal cancer early detection screenings, excluding TennCare. After considerable discussion on the bill and an amendment referred to as the "AFLAC Amendment," the bill was rolled to work on the language and consider the possibility of making it permissive as opposed to mandatory.

**HB 1386** (McKee) involves the stabilization of the TennCare provider network to assure providers are paid timely and according to amounts determined by managed care companies and providers. The Committee adopted an amendment last week that rewrites the bill and changes the effective date to January 1, 2004. The bill, as well as the rest of the calendar, was rolled to allow for more time to hear from Finance and Administration Commissioner Dave Goetz and Deputy Commissioner Manny Martins regarding TennCare.

**HB 0274** (Maddox) requires locksmiths to be licensed by the Board for Licensing Locksmiths.

**HB 1343** (Hargrove) requires the Comptroller's annual actuarial study of the TennCare program and its MCOs to include information on actual provider reimbursement rates. This information would allow Tennessee provider rates to be compared to similar programs in other states. By law, the Comptroller's annual actuarial study is reported to the General Assembly. The bill asks that this information be included in that study.

**HB 1860** (Kernell) regulates the indoor use of pyrotechnic devices.

Commissioners Dave Goetz, Department of Finance and Administration, and Manny Martins, TennCare, spoke to the Committee regarding questions raised last week about the status of the TennCare program. Commissioner Goetz stated the Administration is looking to improve the program beginning with the following four critical steps:

1. Negotiate over conditions imposed on TennCare relative to the second budget stabilization cap that reflects inaccurate spending;
2. Negotiate relief from the current consent decrees, without which the program will be impossible to run;
3. Look for immediate cost savings throughout the Bureau; and
4. Look at the structure of the entire program. Commissioner Goetz stated Governor Bredesen is convinced the current MCO structure has failed. He further noted there are no successful rural HMOs and that the Administration is trying to attract national players with capital and experience.

Both Commissioners admitted the serious management problems in the past are not acceptable and will have to be fixed to avoid scrapping the program altogether.

#### **Industrial Impact Subcommittee**

The **Industrial Impact Subcommittee** met on Tuesday, April 22, for what was supposed to be the final meeting. However, Chairman McKee and members decided that another week was needed to finish work on several bills.

- Passed to full committee:

**HB 1113** (Shepard) moved to full committee pending an amendment. It makes a violation of certain pharmacy

access provisions by health insurance issuers or managed health insurance issuers a violation of the Consumer Protection Act.



*Rep. Shepard*

**HB 1439** (Shepard), as amended, establishes guidelines for recouping health care provider claims.

**HB 1650** (McMillan, Shepard), the "PDL" (preferred drug list) bill, moved to full committee where amendatory language will be worked out. The bill enacts reforms involving formularies on prescription drugs and drug costs.

**HB 0254** (Shepard), pending an amendment, will move to full committee as a companion bill to HB 1650. It requires the Department of Health to administer a state prescription drug discount program for senior citizens.

**HB 0267** (Shepard), with an amendment that makes the bill, requires TennCare to report to both the House and Senate on the interaction between spend down eligibility for TennCare and consumer spending for drugs.

**HJR 0048** (McKee) creates a joint committee to study increases in group health insurance premiums for those small businesses having one or more employees diagnosed with a serious illness.

**HB 2054** (McMillan, Towns) revises current law regarding boxing.

**HB 2098** (Briley) is a compromise bill incorporating the main elements of six bills by Rep. Briley, House Bills 1128 through 1133. (Those were taken off notice in subcommittee.) The compromise bill grants the Commissioner of Commerce and Insurance the authority to regulate hospital and medical service corporations on the same basis as other health insurers. It imposes a one-year waiting period before a non-profit medical service corporation can convert to a for-profit entity, and it makes the non-profit's board of directors comply with the same statutory requirements set for boards of other corporations.

- Rolled one week:

**HB 1164** (Towns) creates an offense for insurance companies to increase premiums for policyholders that have bars installed on windows or doors of their homes or alarms installed in their motor vehicles or homes. The



bill was rolled to allow work on amendatory language affecting those policyholders who have these devices but who have emergency evacuation plans in place.

**HB 1482** (Armstrong) calls for buildings over three stories high that have plans and specifications prepared by a registered architect or engineer to also have an architect and engineer oversee construction phase services.

**HB 1246** (Chumney), as amended, prohibits health insurers from automatically terminating coverage to the divorced or widowed spouse of an insured or to the insured's dependents. Next week, the committee is scheduled to hear from a spokesperson from Finance and Administration's Division of Insurance Administration.

- Rolled to next year:

**HB 0858** (Brown) requires health care providers who have submitted an application for credentialing in a managed care organization's network to be reimbursed for services from the point of that application, as opposed to being reimbursed from the time they join the network. An amendment that would have made the provisions apply only to non-profit community health centers was discussed before the bill was deferred to 2004.

The remaining bills, **HB 1102** (Kernell), **HB 1440** (Shepard), and **HB 1655** (DeBerry, J.) were taken off notice. **HB 1165** (Towns) died for lack of a second.

As mentioned, the committee will hold its last meeting next week.

#### Utilities and Banking Subcommittee

The **Utilities and Banking Subcommittee** met Tuesday, April 22, for what was supposed to be its final meeting. However, upon a motion by Chairman Curtiss, the subcommittee will meet again next week.

- Passed to full committee:

**HB 1600** (West) reduces from seven to three years the amount of time a bankruptcy can prevent a person from becoming a collection agency location manager. An amendment failed that would have rewritten the bill to remove the time restriction and allow the Collection Service Board to make a decision on a case-by-case basis.

- Rolled one week:

**HB 1720** (Curtiss) enacts the "Tennessee Fair Lending Act" and establishes rules and regulations governing certain home loans and home loan lenders.

**HB 1652** (DuBois) establishes procedures for issuance of administrative inspection warrants authorizing building officials to inspect premises to determine whether violations are occurring. An amendment that rewrites the bill was discussed but not acted upon.

**HB 2009** (McMillan) updates the energy conservation building codes for public buildings to reflect the shift to "The 2000 International Energy Conservation Code with 2002 Amendments," published by the International Code Council.

**HB 0291** (Fitzhugh) requires the Commissioner of the Department of Financial Institutions to divide among state banks any funds collected by the Department from the banks that are unexpended at the end of the fiscal year.

**HB 0292** (Fitzhugh) requires the Commissioner of the Department of Financial Institutions to report to the Governor annually within 60 days after the end of the calendar year, as opposed to current law requiring such reporting after the end of the fiscal year.

**HB 0727** (Curtiss) enacts the "Fire Department Recognition Act," requiring fire departments to certify to the fire marshal they have met minimum standards to operate as such.

**HB 1276** (Patton) requires licensees of deferred presentment services to preserve books, accounts, and records for at least three years instead of two.

#### Small Business Subcommittee

The **Small Business Subcommittee** held its last meeting Wednesday, April 23.

**HB 1417** (McCord), as amended, provides for certain rules relative to the distribution of escrow funds held by vacation lodging services. The bill further exempts such services from certain escrow account regulations if holding an irrevocable letter of credit and changes the vacation lodging services license from a biennial license to an annual license. The bill passed as amended to the full committee.

**HB 1782** (Pinion) exempts tow trucks performing consensual towing from the motor carrier provisions. Several members questioned the sponsor of the bill as to the fiscal note, which states the bill may jeopardize a portion of \$4.5 million in federal funding to the extent the provisions take the state out of compliance with the Federal Motor Carrier Administration guidelines. Rep. Pinion stated the fiscal note will be taken care of in the full committee and that such federal funding is not in jeopardy. The bill passed to the full committee.

**HB 1176** (McCord), which proposed to increase the membership of the Real Estate Commission, was taken off notice.

## **Conservation & Environment**

*Greg E. Adkins*

**Note:** The Wildlife Subcommittee and the Environment Subcommittee have been closed, subject to the call of the Chairman. Following the April 23rd meeting, Parks and Tourism was also closed.

### **The Full Committee**

The **Full Environment Committee** met on Tuesday, April 22, 2003 and considered ten bills. **HB 170** by Rep. Briley was rolled one week; the bill would mandate a state tax of \$13.00 on every separate work unit of nuclear material. The revenue generated from the tax would go into a non-nuclear renewable energy development fund. Current law is permissive for each county or municipality to establish a privilege tax on special nuclear material at a rate of \$0.30 for every separate work unit. **HB 871** by Rep. R. Johnson was rolled one week. The bill would require that gasoline sold in Tennessee would have to contain a minimum 10% ethanol. **HB 951** by Rep. Tidwell was rolled one week. The bill would add equipment used to remove downed trees, debris, gravel, and sandbars from creeks, streams, and ditches that traverse or border agricultural land as an agricultural or forest activity. This means that they would be exempt from the Water Quality Act and TDEC regulations would no longer apply to those particular activities. **HB 1049** by Rep. McCord passed to FW&M as amended. The amended bill allows a 100% disabled veteran to be exempt from buying a hunting/fishing license except for a one time \$10 first time buyer fee. **HB 1061** by Rep. McCord was taken off notice; the bill would have deleted monitored wells and

geothermal wells out of the current water well statute and such wells wouldn't have to be registered or licensed by the department. **HB 1228** by Rep. Bittle was passed to FW&M. The bill mandates boating safety education to persons 12-17 years of age. The program will be modeled after the hunter safety program. **HB 1475** by Rep. Fitzhugh passed to FW&M. The bill changes the residency requirements in order to qualify for a lifetime sportsman license. Current law requires a parent of a child under one year of age to be a resident of Tennessee for one year and continue to reside in the state since the child's birth. The bill would require the parent or guardian only to be a resident for 12 consecutive months immediately preceding purchase of the license. **HB 1568** by Rep. McCord was rolled one week. The bill creates the "Tennessee Off-Highway Motor Vehicle Act." The act would require registration of off-road vehicles used for recreation upon purchase. The bill requires that individuals riding off-road vehicles on private land obtain permission from the private landowner. **HB 1776** by Rep. R. Johnson was rolled to 2004. The bill would enact the "Board Equity Act of 2003." The act adds one new member to most environmental boards authorized by statute. From a list submitted by the Tennessee Conservation Voters, the Governor would appoint each of the new members. **HJR 189** by Rep. Garrett was rolled one week; the resolution directs the Forestry commission to evaluate the Southern Forest Resource Assessment relative to forest policy issues in Tennessee.

### **Wildlife Subcommittee**

The **Wildlife Subcommittee** has been closed, subject to the call of the chair.

### **Environment Subcommittee**

The **Environment Subcommittee** has been closed, subject to the call of the chair.

### **Parks Subcommittee**

The **Parks Subcommittee** met on Wednesday, April 23, 2003 and considered two bills. **HB 1229** by Rep. Hagood passed to full committee as amended. The amended bill adds historic theaters to the list of properties that may be acquired with funds from the State Land Acquisition Fund. **HB 890** by Rep. Stanley was rolled to 2004; the bill deleted a portion of the Riverwoods Natural Area for a road project.

## **Consumer & Employee Affairs**

*Shannon Romain*

### **The Full Committee**

The committee amended **HB 1070** (Rep. Godsey) and referred it to the Finance, Ways and Means Committee. As amended, the bill changes the title of "unemployment appeals referees" to "unemployment hearing officers". The fiscal note on the bill estimates federal expenditures of more than \$100,000 if the title change is legally interpreted to require that the officers be



*Rep. Godsey*

promoted to administrative judges. **HB 1096** (Rep. L. DeBerry) was referred to Calendar and Rules. The bill makes it an unlawful practice to misrepresent the geographic location of a supplier, service or product by listing a fictitious or assumed business name in the telephone directory or the directory assistance database. **HB 1610** (Rep. West) was also referred to the Finance, Ways and Means committee. It authorizes the Secretary of State to establish consumer affairs offices in Memphis, Knoxville and Nashville. The fiscal note on the bill projects a one-time state expenditure of \$102,000 and a \$783,000 recurring state expenditure. HB 1753 was deferred for one week.

### **Consumer Affairs Subcommittee**

The committee met for the final time this week with three bills on the calendar. **HB 1590** (Rep. West) was referred to the full committee. The bill extends the length of time that the court is authorized to set aside an unreasonable settlement under the Consumer Protection Law from one year to eighteen months. **HB 1755** (Rep. Maddox) was also referred to the full committee with a recommendation for an amendment. If the amendment, which makes the bill is adopted, it will expand the Consumer Protection provisions of the law to include consumers both inside and outside of Tennessee and by mandating that the court shall order restitution for ascertainable losses. An order for restitution will not, however, limit a person's right to a private action, whether that person is a resident or non-resident of Tennessee, but will be operate as a set off to any awards collected in a private action. Finally, the amendment provides that civil penalties may be awarded to the state for violation of the law.

HB 0794 (Rep. Buttry) was taken off notice.

### **Employee Affairs Subcommittee**

The committee had eleven bills on the calendar this week. **HB 1038** (Rep. Hargrove) makes several changes to the workers' compensation laws. As amended, the bill does the following:

- Addresses issues related to operations of the Advisory Council, including making changes in the terms of office, setting the method for appointments to fill vacancies, adding members to represent hospital interests, and eliminating references to studies that have been completed;
- Extends for two years the chiropractor panel choice requirement for employees who sustain a back injury (sunset June 30, 2003);
- Clarifies filing requirements for statistical data forms and authorizes the Commissioner of Labor and Workforce Development to assess penalties of up to \$500 for failure to file the form;
- Clarifies the Advisory Council's role in the review of certain insurance filings;
- Streamlines the process by which employers can be self-insured and requires posting of workers' compensation information in workplaces. Certain adjustments are also made in statutory provisions on issuance of building permits to conform to the changes made in the certificate of issuance process; and
- Provides that an insurance company, at the request of an employer, must provide a three-year loss history for the employer within thirty days of the request. If the company fails to do so, the employer can file a complaint under the Unfair Trade Act.

Rep. West sponsored the following five of the bills on the calendar and presented **HB 2011** (Rep. McMillan) as the co-prime sponsor:

**HB 1345** applies to employers participating in the Drug-free Workplace program. It authorizes an employer to provide a written list of the specific drugs for which the employer may test.

**HB 1587** increases from three to four the number of Tennessee Medical Association nominees for the position of medical director in the Workers' Compensation Division.

**HB 1588** gives the Commissioner of Labor and Workforce development an additional thirty days to submit to the governor the department's annual report concerning the administration of employment security law.

**HB 1611** pertains to the Worker's Compensation Advisory Council. It requires the council to meet

quarterly and to report to the general Assembly on the role of rehabilitative services in reducing workers' compensation costs. It also provides that the commission of three separate fraudulent acts constitutes a pattern of violations under the Workers' Compensation Fraud Act.

**HB 1612** changes the amount of time in which nonprofit organizations must make insurance premium payments from thirty calendar days to thirty business days.

The committee recommended an amendment to **HB 2011**. The amendment provides that any penalties for second or consequent violations of the child labor laws may be assessed at the discretion of the Commissioner of Labor and Workforce Development. Furthermore, if an employer fails to notify the commissioner in writing within thirty days after receipt of notice of a penalty assessment, the assessment shall be deemed the final order of the commissioner and the employer loses the right to any further appeals.

The following bills were taken off notice:

HB 0527 Rep. Windle  
HB 0883 Rep. Bowers  
HB 1162 Rep. Towns  
HB 0421 Rep. McDaniel

## **Education**

*Pam Mason*

### **The Full Committee**

The House Education Committee met on Wednesday, April 23, to consider 5 bills.



*Secretary Towns, Chairman Winningham*

Referred to Calendar and Rules:

**HB 1987** - (McMillan) as amended, removes the automatic escalator in the restoration grants program. This would equalize the amounts that TSAC grants to students across the state whether for public or private institutions. In addition, the statutory limit would be removed. The amendment makes the bill.

Referred to Finance, Ways and Means:

**HB 590** - (Todd) allows a school district to bring restitution action against any parent who enrolls a student in an out-of-district school system and fraudulently misrepresents the address of such student. This action could be brought in the district's circuit or chancery court within one year of the occurrence or discovery of such, whichever is later. Restitution would be payable to the school district and the parent would be liable for costs and fees, including attorney fees.

**HB 995** - (Winningham) removes the prohibition of new special school districts. As amended, this bill would:

- require a 2/3 vote of the local governing body and affected board of education;
- for BEP funding calculation purposes, both the former county LEA and any other LEA in the converting county shall be considered as each were a separate county;
- upon conversion any special school district would be responsible for educating any student not eligible to be served by another special school district or municipal LEA within the county and the special school district boundaries shall be adjusted accordingly; and
- any county or municipal LEA which converts shall be independently responsible for the payment of any debt issued on behalf of such agency; any revenues pledged or dedicated by referendum or contract for the retirement of such debt at conversion shall become revenue of the special district for the retirement of such and remain revenue of the special district until such debt is paid.

Deferred one week:

HB 1088  
HB 889

### **K-12 Subcommittee**

The K-12 subcommittee met on Tuesday and Wednesday of this week. Actions taken follow.

Referred to Full Committee:

**HB 752** - (Buck) Allows LEAs to provide school transportation outside 250-yard radius of school instead of one and one-half mile distance.

**HB 1723** - (Fowlkes) as amended would prohibit the sale of food items of minimum nutritional value in K-8 schools and require any sale of food or beverage to students before school opens and during school hours to be sold by those sources operated by the school cafeteria only.

Failed:  
HB 99  
HB 1188  
Taken off notice:  
HB 2035  
HB 525

Deferred one week:

HB 203	HB 100	HB 638
HB 1869	HB 437	HB 988
HB 1174	HB 1200	HB 1886
HB 1887	HB 1302	HB 1407
HB 1432	HJR 19	HB 1433
HB 1752	HB 1850	HB 1844
HB 1877	HB 2016	HR 96
HB 436		

Deferred to last calendar:  
HB 1925

### Higher Ed Subcommittee

The Higher Subcommittee met on Tuesday and Wednesday of this week. The meetings covered the Scholarship Lottery Bill, **HB 787**, (Newton).

Referred to Full Committee:

**HB 787** was sent to the Education committee as originally presented by Rep. Newton. No amendments were considered in the subcommittee, but are anticipated in the full meeting next week. Rep. Newton's proposal provides for scholarship awards, establishing an early

childhood education program, and a "Tennessee Lottery Funds for Education Projects Loan Act of 2003". Chairman Brown provided the K-12 members with a summary of an amendment that she plans to offer next



*Chairlady Brown*

week in the Education meeting. The committee anticipates meeting for an extended period next week to complete action on this measure.

Deferred for one week:

HB 1282  
HB 1173  
HB 1708  
HB 1309  
HB 402

## **Finance, Ways & Means**

*Cathy Higgins*

### The Full Committee

The full committee met Tuesday, April 22, 2003 to discuss 18 bills. Several were rolled to future calendars. The following bills were **referred to Calendar and Rules**.

**HB 1673** (Litz) designates a portion of S.R. 66 in Hamblen County as Merchants/Greene Boulevard.

**HB 1280** (Borchet) designates a portion of S.R. 218 By-Pass in Henry County as the L. Don Ridgeway By-Pass.

**HB 2032** (Rinks) as amended reinstates the credit for sales tax on building materials, machinery and equipment used in a qualified new or expanded headquarters facility. The legislation will also allow the remodeling of existing facilities or construction of a new facility provided there is a \$20 million investment and 200 new jobs created.

**HB 1552** (Hargrove) from Consumer and Employee Affairs, establishes guidelines for unclaimed property when an insurance company converts from a mutual structure to a stock ownership structure.

**HB 1745** (Fitzhugh) as amended extends the reporting deadline for the Predatory Lending Study Committee to February 28, 2004.

**HB 1945** (Hargrove) as amended authorizes the issuance of the NASCAR license plate and apportions the proceeds to benefit the Tennessee State Museum.

**HB 1893** (Head) from State and Local authorizes the State Board of Equalization to impose a fee for processing property tax exemption applications. Prohibits the fee from exceeding \$100 and requires the fee to be proportionate to the value of the property at issue.

**HB 0543** (Ferguson) from Judiciary requires nursing homes to initiate a criminal background check on any person who is employed by the facility in a position involving direct care to a resident or patient, prior to or within 7 days of employment. Either the TBI or the FBI can conduct the background check.

**HB 1252** (McMillan) from Health and Human Resources allows property owned by the state development centers controlled by the division of mental

retardation services to be sold or leased, with the proceeds of such sale or lease deposited in a special trust fund earmarked for purposes of planning and developing programs for persons with mental retardation.

**HB 0539** (Overby) from Judiciary prohibits expungement of a defendant's records or charges when such defendant has been convicted of any offense or charge, including a lesser included offense or charge.

**HB 1065** (Brooks of Shelby) from Commerce revises the allocation of the telecommunications assistance program fund to include all small and minority-owned businesses.

### **Budget Subcommittee Wednesday, April 23, 2003**

Budget Sub met to discuss 39 bills on calendar this week. Several were rolled to future calendars. The Subcommittee also amended HB 0001/SB 0001 (The Lottery bill) and will continue discussion on this bill Monday, April 28th in Room 29 at 1:30 PM. The following bills were **referred to full committee**.

**HB 558** (Brooks of Shelby) removes the statutory authority of the Human Rights Commission to review Title VI complaints and authorizes the Title VI Compliance Commission to review such complaints. The Attorney General opined in 2000 that the Human Rights Commission does not have authority to enforce Title VI of the 1964 Civil Rights Act and the Civil Rights Restoration Act of 1987.

**HB 1305** (Pruitt) permits a municipality to construct a new stadium for an existing sports franchise and receive the same allowances permitted under statute when building a new facility. As amended in Subcommittee, no portion of the 1/2-cent sales tax increase earmarked for education and no part of the 1-cent increase enacted in 2002 will be distributed to the municipality.

**HB 0788** (Casada) authorizes the issuance of a new license plate "Choose Life." As amended in Subcommittee the legislation will allocate the revenue for charity portion to the "Center for Adoption" a public-private partnership between the Department of Children's Services and Family and Children's Services, Inc.

**HB 1779** (Pruitt) from Health and Human Resources, amends the statute by removing the amount of equity in an automobile that is not calculated in determining eligibility for the Families First Program; that amount is

currently \$4,600. Eliminating the statutory limit will allow the Department of Human Services to set the amount by rule. If no amount is set there will be a decrease in the number eligible for Families First. If the amount is higher than \$4,600, there will be an increase in the number eligible for Families First.

**HB 0425** (Rinks) as amended in Subcommittee will allocate all revenue generated by the Hall Income Tax to the General Fund. Current statute allocates 5/8 to the General Fund and 3/8 to the cities and counties.

**HB 1806** (Rinks) from State and Local, creates the process for casting and counting provisional ballots. Provisional voting is a federal mandate required to be implemented by January 1, 2004. The amendment adopted in Subcommittee clarifies that a voter cannot register to vote on Election Day, provides for punch card and optiscan technology, puts in procedures for a central provisional ballot counting board and a notification process if a provisional ballot is rejected.

**HB 1649** (McMillan) from State and Local, requires the Comptroller to study the compensation of state employees, including but not limited to, the use of experience steps and automatic cost of living adjustments. An amendment adopted in State and Local adds public officials to the study. The report from the Comptroller is due to the Chief Clerks of both houses by January 15, 2004.

**HB 1001** (McMillan) from Judiciary authorizes any military veteran or other designated individual to request the removal of military discharge records from the official records held in the office of the register of deeds, except records that are preserved on microfilm. Likewise, the veteran's social security number may be redacted from any military discharge record if the storage of the records permits redaction. If redaction is not practicable, the county register would not record the request and would advise the person to request the removal of the military discharge record instead. Provides for a standard request form. Specifies that military discharge records may be viewed through a subscription service approved by the county register. Prohibits the placement of a social security number on any document filed or recorded in the office of the county register of deeds. However, the county register will not refuse to record a document for failure to comply with this prohibition.

**HB 1721** (Hood) permits local governments (county or municipality) to pay the professional privilege tax on behalf of their employees.

**HB 1912** (Head) from Transportation authorizes a license plates for nurses. The bill conforms to existing law on the number of required plates and revenue distribution. The Legislation distributes the revenue: 50% to the Tennessee Nurses Foundation, 40% to the Arts Commission and 10% to the State Highway Fund. The amendment clarifies the distribution of the funds be allocated to the Tennessee Nurses Foundation and be exclusively used to benefit the programs associated with the Tennessee Nurses Foundation.

**HB 1986** (Head) from Commerce says persons who reside in certain counties and construct residences or dwellings on private property for resale are not considered contractors and are exempt from contractor licensing provisions. Specifies that the cost of the project must be less than \$250,000 and is a single-family residence. Requires these persons to subject a written application to the Board accompanied by a fee (specified by the Board). No exam or financial statement is required. This act is repealed on January 1, 2006; therefore, contractors have three years to get their appropriate license.

**HB 2056** (McMillan) from Commerce revises the current law relative to the filing of insurance policies and forms with the Department of Commerce and Insurance. Permits insurance companies to make their filings with a filing despository.

**HB 1665** (Brooks of Shelby) from Education, enacts the "Inner City Educational Enhancement Pilot Project of 2003."

**HB 0667** (Jones) from Consumer and Employee Affairs adds veterinarians to providers covered under the Health Care Consumer Right to Know Act of 1998.

**HB 1486** (Rowland) from Transportation authorizes the issuance a new specialty license plate for Girl Scouts. The bill conforms to existing law on the number of required plates and revenue distribution. The revenue generated by new plate will be distributed: 50% equally to the six Girl Scout Councils in Tennessee, 40% to the Arts Commission and 10% to the State Highway Fund

**HB 1891** (Bowers) from Education requires new incoming students at any public or private higher learning institution in this state to complete and return a waiver regarding hepatitis B infection. The waiver will cover the risks and effectiveness of a vaccine. A student 18 years of age or older may sign or, for minors, the student's parent or guardian.

**HB 1467** (Head) as amended in Subcommittee authorizes the state funding board to establish policies and procedures for the investment of bond proceeds in guaranteed investment contracts.

## **Government Operations**

*Brian Zuzenak*

The **House Government Operations Committee** met at 10:30 on Tuesday to consider eleven pieces of legislation.

**HB 1149 (DeBerry)**, **HB 1462 (Chumney)**, and **HB 1499 (Kernell)** were rolled one week. **HB 200 & 205 (M. Turner)** and **HB 1157 (Fitzhugh)** were taken off notice.

**HB 1339 (Hargrove)** was referred to Commerce. It requires the TennCare bureau to maintain and implement a process for managing the drug therapies of recipients who are using significant numbers of prescribed drugs each month.

**Sunset Extensions**--The following sunset extensions were referred to Calendar & Rules:

**HB 1497 (Kernell)** Advisory Committee for Acupuncture - 2005

**HB 1489 (Kernell)** Department of Revenue - 2007

**HB 1515 (Kernell)** Panel on Health Care Facility Penalties - 2009

**HB 1969 (Kernell)** Regional Transportation Authority - 2009

## **Health & Human Resources**

*Judy Narramore*

### **The Full Committee**

The **Health & Human Resources Committee** met at noon on Tuesday to consider 16 bills. After completing the calendar, Dr. Allen Craig, State Epidemiologist, Department of Health, gave a brief presentation on SARS (Severe Acute Respiratory Syndrome). Copies of

Dr. Craig's SARS Fact Sheet handout may be obtained from Chairman Armstrong's office. For additional information about SARS, call the Department of Health at 615-741-7247 or visit [www.state.tn.us.gov/health/](http://www.state.tn.us.gov/health/) or [www.cdc.gov](http://www.cdc.gov).

Seven bills were referred to C&R. **HB 0669** by Rep. M. Turner as amended enacts the "Consumer Protection Act for Wheeled Mobility." As amended, the bill mandates requirements for home care organizations that provide wheelchairs and adds relevant definitions to existing code in Title 68. **HB 0236** by Rep. Newton as amended adds definitions for *abuse*, *misappropriation of property*, and *neglect* to existing code in Title 33 and also adds these as grounds for suspension or revocation of a facility license by the Department of Mental Health & Developmental Disabilities. **HB 0944** by Rep. S. Jones authorizes the Committee of Occupational Therapy to establish requirements for assessing the continued competence of licensed occupational therapists. **HB 1091** by Rep. L. DeBerry as amended permits a dentist licensed in Tennessee, certified by the American Board of Oral and Maxillofacial Pathology, and certified in oral pathology to be a lab director of oral pathology without obtaining additional medical laboratory licensure. **HB 1116** by Rep. Shepard as amended prohibits a manufacturer, wholesaler, or retailer of ophthalmic materials who leases space to an optometrist from directly or indirectly controlling or attempting to control the professional judgment or practice of the optometrist. The amended bill applies to leases entered into or renewed after July 1, 2003. **HB 1697** by Rep. Odom as amended substitutes the requirement in current law for clinical pastoral therapists to be certified with the requirement that they be licensed. **HB 0553** by Rep. Armstrong as amended exempts child care centers located in buildings licensed by the Board for Licensing Health Care Facilities as nursing homes from fire prevention standards enforced by the State Fire Marshall. The amended bill also requires the Department of Human Services to promulgate rules that consider the prior education and experience of a RN seeking approval as a director of a child care agency that operates within a licensed nursing home.

Two bills were referred to FW&M. **HB 1261** by Rep. McMillan continues the moratorium on CONs for new intermediate care nursing home beds until June 30, 2005. **HB 1135** by Rep. Briley as amended enacts the "Nursing Home Compassion, Accountability, Respect and Enforcement Reform Act."

After hearing from proponents and opponents on **HB 2039** as amended, the committee requested that Rep. B.

Turner roll the bill one week for review of a new amendment that she presented in committee today. The remaining six bills on calendar were rolled one week at the request of the respective sponsors: **HB 1768** by Rep. Black, **HB 0791** by Rep. Buttry, **HB 1692** by Rep. Bowers, **HB 0974** by Rep. Bowers, **HB 0614** by Rep. Davis, and **HB 0556** by Rep. B. Turner.

### Professional Occupations Subcommittee

The final meeting of the Professional Occupations Subcommittee was held Wednesday morning with seven bills on calendar, referring four to full committee. **HB 0675** by Rep. Kent as amended allows persons with a doctor of audiology degree who have passed the examination required for licensure as a speech language pathologist or audiologist to practice without a valid license pending disposition of their application before the Board. **HB 0268** by Rep. Shepard as amended changes prescription-writing guidelines for certified nurse practitioners, using statutory language for physician assistants as a model. **HB 1452** by Rep. McMillan as amended changes the definition of *practicing dentistry* by adding oral and maxillofacial surgery to the list of procedures that constitute the practice of dentistry and adds to the list of specialties that the Board of Dentistry is authorized to certify as "specialists." **HB 1700** by Rep. Odom as amended changes the definition of *chiropractic* and adds *chiropractic physician* to the code.



*Subcommittee  
Chairman Odom*

Two bills were taken off notice: **HB 0771** by Rep. Buttry and **HB 1909** by Rep. Bowers. Rep. McCord rolled **HB 1906** to January 2004.

### Public Health & Family Assistance Subcommittee

The Public Health & Family Assistance Subcommittee met Wednesday morning with eight bills on notice. Two bills were referred to full committee. **HB 0442** by Rep. Bowers as amended requires the Department of Health to establish a data collection system on sepsis. The amendment deletes the medical school and continuing education requirements from the printed bill. **HB 0708** by Rep. Towns prohibits LEA (local education agency) employees or contract employees from recommending the use of psychotropic



drugs to treat children enrolled in elementary or secondary schools until a statewide task force has been formed and has issued a report to the General Assembly.

**HB 0975** by Rep. Bowers concerning the Commission on Aging and Disability was discussed at length, two amendments were offered but failed, and the bill was subsequently rolled to next week's calendar. Likewise, **HB 1244** by Rep. Chumney concerning children's product safety was discussed, testimony was presented, and the bill was ultimately rolled with an amendment by Rep. Ferguson pending that would keep the bill in subcommittee to be studied over the summer. **HB 1060** by Rep. McCord was rolled. Three bills were taken off notice: **HB 1169** and **HB 1171** by Rep. Towns and **HB 1430** by Rep. Brown.

Chairlady Pruitt rescheduled the **final meeting** of the Public Health & Family Assistance Subcommittee for April 30.

#### **Mental Health and Health Care Facilities Subcommittees**

The **Mental Health and Health Care Facilities Subcommittees** are closed subject to the call of the chairs.

### **Judiciary**

*Paige Edwards*

#### **Criminal Procedure & Practice Subcommittee**

On Tuesday and Wednesday, the **Criminal Procedure & Practice Subcommittee** held its final meeting and considered 43 bills. **HB 748** by Representative Buck, **HB 749** by Representative Buck, **HB 767** by Representative Buttry, **HB 956** by Representative Pruitt, **HB 1202** by Representative Chumney, and **HB 768** by Representative Buttry were sent to the summer/fall study committee. **HB 4** by Representative Newton, **HB 61** by Representative Overbey, and **HB 1811** by Representative Rinks were rolled to 2004. **HB 23** by Representative Turner (Davidson), **HB 190** by Representative Turner (Davidson), **HB 606** by Representative John DeBerry, **HB 1728** by Representative Fowlkes, **HB 1820** by Representative Newton, **HB 1901** by Representative McCord, **HB 166** by Representative Harwell, **HB 1290**

by Representative Kent, **HB 1291** by Representative Kent, **HB 1375** by Representative Godsey, **HB 1594** by Representative West, **HB 1641** by Representative West, and **HB 1975** by Representative McMillan were taken off notice.

The following twenty bills were **sent to the full committee**:

- **HB 34** by Representative Turner (Davidson) increases the penalty and modifies the age requirements to constitute child endangerment under the Drunk Driving Protection Act. Under this bill, a person would commit child endangerment for driving an automobile or vehicle under the influence of drugs or alcohol with a child under 16 years of age. The penalty for committing this offense would be a Class A misdemeanor punishable by a mandatory minimum incarceration of 11 months and 29 days with a \$1,000 minimum fine. The incarceration and fine would be added to any other incarceration and fine required by law. The penalties for aggravated child endangerment and especially aggravated child endangerment would remain the same as under present law.
- **HB 80** by Representative Buck prohibits recovery under the Criminal Injuries Compensation Act when the victim knew that the operator of the vehicle or watercraft was legally intoxicated.
- **HB 139** by Representative Buck increases the mandatory minimum fine for committing child endangerment from \$1,000 to \$1,500.
- **HB 457** by Representative Briley, as amended, increases the penalties for offenses pertaining to telecommunications. This bill would prohibit piracy and intentional disruption of broadband communication services. This bill would criminalize otherwise lawful conduct by ordinary citizens. Similar legislation has passed in eight states.
- **HB 607** by Representative John DeBerry specifies that any local or municipal government may enforce the provisions of a fair housing ordinance in the circuit court of the county in which a violation occurred.
- **HB 750** by Representative Buck authorizes the court to require first time DUI offenders to remove litter from public highways for a 48-hour period. This punishment would be an alternative to the 48-hour incarceration period. This bill passed in the Senate on March 10, 2003 with a vote of 18-13. **HB 750** is identical to **HB 90** by Representative Buck. Both bills will be considered in the full committee.
- **HB 757** by Representative Hargrove adds another factor for determining first degree murder. A person would commit first degree murder for knowingly

killing another while under the influence of any intoxicant, marijuana, narcotic drug or drug producing stimulating effects on the central nervous system.

- **HB 769** by Representative Buttry amends the Drug-Free School Zone Act to include pre-schools. This bill would enhance the punishment for drug offenses that occur on the grounds, in the facilities, or within 1,000 feet of a pre-school. Under present law, drug offenses that occur on the grounds, in the facilities, or within 1,000 feet of an elementary school, middle school or secondary school are punished one classification higher than is provided by law.
- **HB 782** by Representative Patton, as amended, creates the "Tennessee Personal and Commercial Computer Act of 2003." This bill would add offenses to constitute theft of property or services related to computer offenses. Also, this bill would provide civil damages and remedies to an aggrieved party.
- **HB 876** by Representative Johnson (Loudon), as amended, imposes additional penalties against a defendant who is convicted of manufacturing a controlled substance. This bill would require a defendant to make restitution to any governmental entity for the costs reasonably incurred in cleaning the area in which the offense occurred and in rendering such area safe for human use. The intent of this bill is to relieve the costs associated with cleaning up methamphetamine labs.
- **HB 999** by Representative Cochran allows law enforcement officers to make a warrantless arrest when a driver is apprehended after leaving the scene of a traffic accident and is under the influence of an intoxicant.
- **HB 1026** by Representative Fowlkes adds an offense for statutory rape. Under this bill, statutory rape would be a Class B felony if the defendant was an authority figure to the victim at the time of the offense.
- **HB 1219** by Representative Turner (Davidson) provides that any false allegation of misconduct against a police officer would be punishable as a misdemeanor offense. Also, this bill provides that any false civil claim against a police officer or false lien against a police officer's property would be punishable as a misdemeanor. To commit either of these offenses, it would be shown that the complainant knowingly intended to report false information against the police officer. Also, this bill provides an advisory for complainants to sign when allegations of misconduct against a police officer are reported.

- **HB 1253** by Representative McMillan creates the "Drug Court Treatment Act of 2003". All drug courts in Tennessee would operate according to the general principles as established by the National Association of Drug Court Professionals, Drug Court Standards Committee. All program participants in the Drug Treatment Court would be non-violent offenders, substance abusing and/or chemically dependent, and willing to participate in the treatment program. The department of finance and administration, office of criminal justice programs would oversee the drug treatment courts and assist courts that apply for grant funds.

Under this bill, court clerks would collect \$75.00 from each individual who enters a plea or is adjudicated at trial for drug related offenses. The first \$5.00 of each assessment would be remitted to the department of finance and administration, office of criminal justice programs for funding program oversight and grant awards. The remainder of these assessments would be deposited by the clerk into a dedicated county fund and used exclusively for the creation and maintenance of state approved drug court programs.

- **HB 1255** by Representative McMillan, as amended, adds that a victim of a sex offense or of domestic abuse would constitute a good cause for failure to report a crime under the criminal injuries compensation act. In effect, the provisions of this bill would allow a victim to file a claim under the criminal injuries compensation fund when there has been a delay in reporting a crime.
- **HB 1340** by Representative Hargrove establishes a program to fund sexual assault program services. The department of finance and administration would administer the programs. The department of finance and administration would not disburse more than \$50,000 to any one sexual assault program in one year, subject to exceptions. To receive funding, an organization must be not-for-profit and tax exempt and must demonstrate that it has provided sexual assault services for at least six months prior to applying for funding.

Also, this bill would impose an additional \$200 fine against a defendant convicted of a sexual offense. Revenue derived from this fund would be used to fund sexual assault program services.

- **HB 1566** by Representative McMillan amends the criminal injuries compensation act. Under this bill, the treasurer would be authorized to award an annual

grant not exceeding \$100,000 to the Tennessee Coalition Against Domestic and Sexual Violence for the purpose of supporting the activities of the victims of crime state coordinating council.

- **HB 1826** by Representative Ulysses Jones includes additional violations that would be subject to an additional \$10.00 fine to be earmarked for and paid into the traumatic brain injury fund.
- **HB 568** by Representative Pruitt requires the treasurer to file a report with both houses of the general assembly detailing the activities of the criminal injuries compensation fund over the previous year. The report would be filed by February 1 of each year. Each report would include recommendations proposed by the treasurer as to what specific types of awards could be raised while still maintaining the integrity and soundness of the fund. The first report would be due on February 1, 2004 and would include the activities of the criminal injuries compensation fund in the years 2002 and 2003.
- **HB 1161** by Representative Towns directs the district attorneys general conference to conduct a study concerning the monitoring of criminal offenses perpetrated by the Internet. No later than March 1, 2004, the conference would report the findings of the study and make any recommendations to the judiciary committees of the senate and the house of representatives.

### **Constitutional Protections Subcommittee**

On Tuesday, the **Constitutional Protections Subcommittee** met to consider eight bills. Representative West rolled the following five bills to next week's calendar: HB 1604, HB 1617, HB 1618, HB 1710, and HB 1622. Representative Towns rolled HB 1166 for one week.

The following two bills were **sent to the full committee**:

- **HB 452** by Representative Bittle replaces the present law for recognizing the validity of a handgun permit or license issued in another state. Under this bill, Tennessee would recognize a valid handgun permit issued in another state according to its terms if the issuing state recognizes the validity of permits from Tennessee. The department of safety would maintain a list of states that recognize the validity of handgun permits from this state.
- **HB 1624** by Representative West requires the sheriff or chief of police to execute all documents for a gun purchase within 15 business days.

**Note:** The **Constitutional Protections Subcommittee** will hold its final meeting of the year on April 29, 2003.

### **Civil Procedure & Practice Subcommittee**

On Wednesday, the **Civil Procedure & Practice Subcommittee** met to consider 32 bills. HB 260 by Representative Buck failed to pass out of the subcommittee. HB 1962 by Representative Garrett was rolled to 2004. HB 591 by Representative Pleasant, HB 1046 by Representative McCord, HB 1935 by Representative Bunch, HB 1937 by Representative Bunch, HB 828 by Representative Head, and HB 1450 by Representative Hood were taken off notice.

The following three bills were **sent to the full committee**:

- **HB 1474** by Representative Briley, as amended, enacts the "General Patton Act of 2002." This bill creates permissive legislation to include animal behavior courses in training peace officers for certification. Under this bill, peace officers may be required to complete animal behavior courses as part of their annual in-service training. Also, this bill requires highway patrolmen to complete animal behavior courses as part of the initial training and in-service training.
- **HB 1814** by Representative Newton, as amended, authorizes campgrounds to levy a lien upon all abandoned vehicles that lawfully come onto their premises. The campground representative would be required to provide notice to persons having interest in such vehicles.
- **HB 1333** by Representative Hagood, as amended, allows non-resident creditors, non-resident trustees, or non-resident agents to conduct all discovery proceedings, relative to real property in Tennessee, in the county in which the real estate is located or in which the litigation is pending. As amended, this bill would apply to residential property located in Tennessee and owned by Tennessee residents.



*Rep. Hagood*

**Note:** The **Civil Procedure & Practice Subcommittee** will hold its final meeting of the year on April 30, 2003.

No other bills will be put on notice. The following bills will be considered during the final meeting:

HB 709 by Representative Towns  
HB 868 by Representative Davis  
HB 977 by Representative Bowers  
HB 1057 by Representative McCord  
HB 1168 by Representative Towns  
HB 1172 by Representative Towns  
HB 1292 by Representative Fowlkes  
HB 1341 by Representative Hargrove  
HB 1602 by Representative West  
HB 1711 by Representative Brown  
HB 1789 by Representative Briley  
HB 1835 by Representative Bunch  
HB 955 by Representative Pruitt  
HB 1615 by Representative West  
HB 940 by Representative Jones (Davidson)  
HB 1757 by Representative Maddox  
HB 1058 by Representative Davidson  
HB 1797 by Representative Overbey  
HB 1184 by Representative Vincent  
HB 1185 by Representative Vincent  
HB 2007 by Representative McMillan  
HB 1047 by Representative McCord

### The Full Committee

On Wednesday, the **Full Judiciary Committee** met to consider 30 bills. HB 1323 by Representative Santony, HB 1324 by Representative Kent, and HB 1325 by Representative Kent were taken off notice. HB 1736 by Representative Towns, HB 1147 by Representative John DeBerry, and HB 605 by Representative John DeBerry were rolled to 2004. HB 1138 by Representative Briley was rolled to the last calendar of the committee. HB 74 by Representative Buck, HB 1606 by Representative West, HB 270 by Representative Shepard, HB 837 by Representative Head, HB 141 by Representative McMillan, HJR 274 by Representative McMillan, HB 1654 by Representative Briley, HR 12 by Representative Brooks (Shelby), HB 1293 by Representative Fowlkes, HB 441 by Representative Bowers, HB 1378 by Representative Turner (Hamilton), and HB 721 by Representative Buck were rolled for one week.

The following eight bills were sent to **Calendar & Rules**:

- **HB 1231** by Representative Windle, as amended, allows an employee of the department of correction to inspect investigative records of the internal affairs division of the department of correction prior to a

due process hearing at which disciplinary action is considered or issued. The commissioner of the department of correction would have the authority to deny the employee's request. The commissioner's denial would be specific and in writing.

- **HB 806** by Representative Harwell, as amended, requires criminal history information to be made



*Rep. Harwell*

available by the National Crime Prevention and Privacy Compact following the adoption of the compact by the general assembly. The director of the TBI would execute, administer, and implement the compact on behalf of the state. The National Crime Prevention and Privacy Compact is codified in 42 U.S.C. § 14616. The House Government

Operations Committee amended HB 806 to terminate participation in the compact on June 30, 2005.

- **HB 1403** by Representative Coleman creates a Class A misdemeanor when a person knowingly installs or reinstalls an object that is not a federally approved air bag as part of the vehicle inflatable restraint system.
- **HB 1163** by Representative Towns provides that the victim of a carjacking would not be required to pay any expenses incurred in the storage, transportation, or impoundment of a vehicle. These expenses could be taxed as costs in the criminal proceeding.
- **HB 698** by Representative Hargett includes general sessions courts designated as environmental courts to handle terminations of tenancy for known controlled substance and prostitution violations.
- **HB 953** by Representative Kent enhances the punishment for contempt in an environmental court. Under this bill, punishment for contempt is limited to a fine of \$50.00 and imprisonment not exceeding 10 days for each violation.
- **HB 177** by Representative Fowlkes does not require the social security number for the respondent, petitioner, and proposed conservator to be included in a petition for the appointment of a conservator.
- **HB 2030** by Representative McMillan and Representative Fowlkes, as amended, revises provisions in the Homeland Security Act that were enacted last year. Under this bill, confidential records of utility service providers and government entities would be provided to governmental agencies performing official functions. This bill has been introduced to rectify any potential conflict with existing policy.

The following three bills were sent to **Finance, Ways, & Means**:

- **HB 1145** by Representative John DeBerry modifies the law for reporting child sexual abuse. This bill adds statutory rape to the definition of child sexual abuse for reporting purposes. This bill would require a doctor to report any case regarding any minor having a sexually transmitted disease to the department of health. Furthermore, the department of children's services would be informed of these cases to investigate for possible sexual abuse, including statutory rape. Also, this bill would require a doctor, health care provider, or other person examining or treating a child to report any case of child pregnancy to the department of children's services.
- **HB 407** by Representative Briley creates a new chancellor position and two new criminal court judge positions in Davidson County.
- **HB 1567** by Representative Fitzhugh, as amended, limits a contractor's liability when a contract is made with the state. The contractor's liability would be limited to two times the amount of the contract. Also, this bill authorizes the Commissioner of Finance and Administration to negotiate a limit less than two times the amount of the contract.

**Note:** The **Judiciary Committee** will hold its final meeting of the year on May 7, 2003.

## **State & Local Government**

*Lawrence Hall, Jr.*

### **The Full Committee**

The **State and Local Government** full committee passed **HB 1473**, by Rep. Briley, to Finance, Ways, and Means. This bill will require pre-paid phone service companies to pay an emergency communications service fee to fund the 911 emergency telephone service. **HB 812**, by Rep. Pinion, was also passed to Finance, Ways, and Means. This bill will allow TRICOR to develop a policy to sell products to government employees. Two percent of the proceeds from the sales will be used for inmate education. **HB 718**, by Rep. Vincent, will permit utility districts to accept voluntary contributions through round-up programs. The contributions are to be used for

charitable contributions. This bill was passed to Calendar and Rules.

### **State Government Subcommittee**

The **State Government Subcommittee** passed **HB 684**, by Rep. McDonald, to full committee. This bill will allow retirees to work for up to 120 days without losing their retirement benefits. Currently a retiree is only allowed to work 100 days. **HB 1156**, by Rep. Fitzhugh, was also passed to full committee. This bill will require that the Hall income tax be applied to all lottery winnings over \$25,000. The remaining bills were rolled to next week's final calendar.

### **Local Government Subcommittee**

The **Local Government Subcommittee** heard **HB 610**, by Rep. Garrett. This bill allows police officers who work for private security to wear the uniform of the officer's primary jurisdiction, only if the jurisdiction assumes responsibility for wearing the uniform. This bill passed to full committee. **HB 1609**, by Rep. Fowlkes will authorize local governments to establish a tuition assistance program for local government officials, employees and family members who are enrolled in educational institutions. This bill passed to full committee. The Local Government Subcommittee is scheduled to close next week.

**Elections Subcommittee** is closed.

## **Transportation**

*Greg E. Adkins*

**Note:** The Transportation Subcommittees are closed, subject to the call of the chair.

### **The Full Committee**

The **Full Transportation Committee** met April 23, 2003 and considered thirteen bills.

**HB 1742** by Rep. Fitzhugh passed to C&R as amended. The amendment rewrites the bill and authorizes the Department of Safety to identify the residence of the county in which the applicant is applying for registration

of automobile tags. **HB 1705** by Rep. DuBois passed to C&R; the bill would prohibit the acceptance of matricula consular cards for proof of identification for driver license application and issuance purposes. **HB 253** by Rep. Stanley passed to FW&M as amended; the amended bill would require drivers license suspension of a driver that contributes to harming or causing serious bodily injury to a pedestrian minor on school property.

**HB 1640** by Rep. West was rolled one week. The amended bill would exempt qualifying agents and qualifying managers from taking continued legal education--dealing with private security guards. **HB 1790** by Rep. Rowland was rolled one week. As amended, the bill would require that persons without a social security number or INS documentation would not be able to acquire a driver's license. Legal residents with proper INS documentation would be required to reapply for a driver's license every year while a person with a social security number would only have to apply for a driver's license every five years.



*Rep. Rowland*

**HB 1054** by Rep. McCord was rolled one week. The bill would allow a motorcycle to stop at a traffic light and if the vehicle detection device doesn't trigger the light to change then with due caution the motorcyclist can proceed through the red light. **HB 896** by Rep. Cooper passed to FW&M. The bill requires TDOT to develop guidelines for municipal tourism and direction signage and requires the commissioner to report progress to the House and Senate Transportation Committees in January 2004. **HB 697** by Rep. Langster passed to FW&M as amended. The bill authorizes "Children's Hospital, Vanderbilt University Medical Center" signs for Davidson County. The signs are subject to non-state funding. **HB 2013** by Rep. Pinion was rolled one week. The amended bill would allow the Commissioner of TDOT to organize the department into departmental units, as he/she deems necessary to carry out the duties and functions imposed on the Commissioner. The Building Commission must authorize the changes. **HB 239** by Rep. Pinion passed to FW&M as amended. The amended bill authorizes TDOT not to publish settlement notices of the bidding request in the newspaper; the amendment does not apply to bid notices.

The following two sign bills passed to FW&M:

1. **HB 1027** by Rep. Fowlkes--"Lloyd (Geke) Kirk and Kitch Aymett Memorial Bridge" sign.

2. **HB 1761** by Rep. Maddox--"George Broussard Memorial Bridge" sign.

**SJR 104** by Rep. Johnson P. passed to C&R; the resolution designates May 2003 as "Motorcycle Awareness Month."

### Public Safety & Rural Roads Subcommittee

The **Public Safety & Rural Roads Subcommittee** met on Tuesday, April 22, 2003 and considered five bills on the calendar. **HB 604** by Rep DeBerry J. passed to full committee. The bill authorizes the Department of Safety Commissioner to suspend, revoke, restrict, or deny the drivers license of an individual with a condition that could impair safe driving. It would be a class A misdemeanor for violation of this act. **HB 774** by Rep. Pleasant passed to full committee as amended. The amendment rewrites the bill to mandate that farm tractors or other motor vehicles towing an object over 96 inches in width to be equipped with two red lams or a rear escort automobile during the evening hours. **HB 1959** by Rep. Vaughn passed to full committee as amended. The amended bill would prohibit aggressive driving and a violation would be a Class B misdemeanor, however, if the driver intends to injure another person the violation would be a Class A misdemeanor. **HB 770** by Rep. Buttry passed to full committee. The bill would clarify that the child passenger restraint law would only apply to vehicles under 8,500 lbs. and not used for public passengers (i.e. school or public buses). **HB 1284** by Rep. Odom was rolled to 2004.

### Public Transportation and Highways Subcommittee

The **Public Transportation and Highways Subcommittee** met on Wednesday, April 23, 2003 and considered four bills. **HJR 262** by Rep. Hood passed to full committee; the resolution would name the "Lt. George S. Brooks Memorial Bridge" on S.R. 33. **HB 736** by Rep. Hood passed to full committee. The bill revises the Regional Transportation Authority. The bill would require cities and counties that make up the Regional Authority to pay a yearly local assessment in order to participate in the Authority. **HB 1028** by Rep. Miller was taken off notice. **HB 840** by Rep. Fowlkes was taken off notice.

## The Budget Hearings

Budget hearings before the Finance, Ways and Means Committee ended last week. The following are summaries of presentations made toward the end of the hearings schedule.



- Department of Veterans Affairs
- TennCare
- Commerce & Insurance - TennCare Oversight
- Finance and Administration
- Department of Health
- Department of Human Services
- Mental Health & Developmental Disabilities
- Division of Mental Retardation Services
- Council of Juvenile & Family Court Judges
- Commission on Children & Youth

### **Department of Veterans Affairs**

*Shannon Romain*

*Research Analyst, Consumer & Employee Affairs*

On April 8, 2003 Commissioner John Keys presented the Department of Veteran's Affairs budget for fiscal year 2003-04 to the House Finance, Ways and Means Committee.

The Tennessee Department of Veterans Affairs serves more than one million veterans, their survivors, and dependents through a statewide power of attorney-based claims processing system. The department's training and certification program for county service offices and department employees ensures that state veterans receive maximum entitlements. The department also operates a veteran's cemetery in each of the grand divisions, having some of the highest interment workloads in the nation.

### **Improvements and Recommended 03-04:**

	Base 2003-2004	Improvements 2003-2004	Recommended 2003-2004
Full-time	58	0	58
Part-time	0	0	0
Seasonal	0	0	0
<b>Total</b>	<b>58</b>	<b>0</b>	<b>58</b>
Payroll	\$2,187,000	0	\$2,187,000
Operational	\$666,300	0	\$666,300
<b>Total</b>	<b>\$2,853,300</b>	<b>\$0</b>	<b>\$2,853,300</b>
State	\$2,410,600	0	\$2,410,600
Federal	\$360,000	0	\$360,000
Other	\$82,700	0	\$82,700

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## Department of Veterans Affairs, continued

### **Reductions:** \$238,400.

In order to achieve the mandated 9% budget reduction, the department closed four field offices in Morristown, Dyersburg, Dickson, and Cookeville, eliminating six staff positions. It was necessary to close the offices because the reductions could not be achieved by spreading reductions throughout field offices across the state. Furthermore, eliminating one field office in each grand division will have the least impact on overall services. The department has systematically reduced operational expenses over the last decade. To date, the department has eliminated 14 positions and cut \$73,000 in operational costs in the last 10 years. The 2003-04 reductions will impact federal funding, but the effects cannot be determined at this time.

In FY2001-02 the four offices that have been closed collected \$72.3 million dollars in veterans awards. However, the closing of the offices will not necessarily mean a loss of the \$72.3 million those districts procured in benefits because the services provided will not be eliminated, but spread out over the seven remaining field offices.

### **Accountability Issues**

Program objectives have been defined that are consistent with the statutory requirements of the department. Performance measure reporting is being reviewed to ensure accountability.

### **Contract Employees**

There are no contract employees in the Department.

## **TennCare and TennCare Oversight**

*Cathy Higgins*

*Research Analyst, Finance, Ways & Means*

On Thursday, April 10th Finance and Administration Deputy Commissioner Manny Martins and Commerce and Insurance Commissioner Paula Flowers, presented the fiscal year 2003-04 budgets for TennCare and Commerce and Insurance TennCare Oversight Division, respectively.

Commissioner Flowers began by giving an overview of the responsibilities of the TennCare Oversight Division. The division is to provide financial oversight of all managed care organizations participating in the TennCare program. They are to ensure compliance with state and federal laws, as well as rules and regulations governed by the waiver. These objectives are achieved through on-site financial examination, review of provider complaints, in-house financial statement review and analysis, claims processing examinations, and review of premium tax returns. The division is funded by interdepartmental transfer revenue from TennCare. The division's budget for fiscal year 2003-04 is \$2,648,700 and reflects a 9 percent reduction of \$231,900. The reduction will be achieved by abolishing one vacant position and reducing operational costs within the division.

Deputy Commissioner Martins presented for the TennCare Bureau. TennCare's total budget request for fiscal year 2003-04 is \$7,090,511,500 compared with \$6,865,146,900 for estimated fiscal year 2002-03. The

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estimated expenditure for fiscal year 2002-03 includes the supplemental requests. In addition, the budget request for fiscal year 2003-04 also includes \$1,193,429,400 for improvement. Below is a breakdown of the expenditures by category.

Category	Fiscal Year 2002-03	Fiscal Year 2003-04	Difference
TennCare Physical Health Services	\$3,853,249,000	\$3,854,105,100	\$856,100
TennCare Mental Health Services	899,658,800	1,007,196,700	107,537,900
Local Health - Dental	6,020,900	7,049,100	1,028,200
Graduate Medical Education	49,013,800	50,000,000	986,200
Payments to the Department of Children's Services	170,000,000	180,475,600	10,475,600
Long Term Care for the Mentally Retarded	561,788,600	601,218,900	39,430,300
Long Term Care	915,198,200	957,756,100	42,557,900
Medicare Part A/B Premiums & Copays	240,044,300	258,277,900	18,233,600
Administration	170,173,300	174,432,100	4,258,800
<b>Total Program Expenditures</b>	<b>\$6,865,146,900</b>	<b>\$7,090,511,500</b>	<b>\$225,364,600</b>
State	\$2,270,577,500	\$2,228,079,000	(\$42,498,500)
Federal	4,144,199,700	4,447,182,600	302,982,900
Other (reserves)	181,450,500	134,000	(181,316,500)
Pharmacy Drug Rebates	230,550,700	376,747,400	146,196,700
Premiums	38,368,500	38,368,500	0
<b>Total Funding</b>	<b>\$6,865,146,900</b>	<b>\$7,090,511,500</b>	<b>\$225,364,600</b>

- TennCare Physical Health Services includes payments to the managed care organizations, and dental, pharmacy, and supplemental provider payments.
- Mental Health Services includes payments for the TennCare Partners' program capitation payments and pharmacy costs.
- Department of Children's Services funds the administrative and treatment costs for TennCare children in the custody of the Department.
- Long Term Care for the Mentally Retarded will continue to maintain and provide services to citizens with mental retardation.
- Long-term care funds will continue care for individuals that are in need of long term institutional care, including disproportionate share payments, nursing facilities, etc.
- Funds for the Medicare Part A/B Premiums & Copays will assist individuals eligible for TennCare and Medicare.

As stated above, the budget request for fiscal year 03-04 includes improvement requests totaling \$1,193,429,400 and represents improvements for programs and program growth.

Recurring Program Adjustments	State	Federal	Other	Total
Additional expenditure projections - provides recurring funding to cover recurring expenditure shortfall	\$230,739,900	\$482,764,700	\$51,561,000	\$765,065,600
Projected Federal participation increase	(5,401,600)	\$5,401,600	0	0
Projected increase for Certified Public Expenditure	(7,513,100)	7,513,100	0	0
				(cont.)

Premium Match (federal requirement) provides funding to adjust premium match percentage from 90% to 80% for FY 2003 as required by the existing 1115 Waiver	1,213,000	(1,213,000)	0	0
Enrollment Reduction - projected reduction in expenditures due to reduction of average annual enrollment from 1,351,590 to 1,323,024	(14,936,500)	(25,098,100)	0	(40,034,600)
Graduate Medical Education - provides funds to bring GME to \$50 million	350,600	635,600	0	986,200
Mental Retardation External Quality Review requirement (75/25 funding)	1,236,700	3,710,200	0	4,946,900
Early and Periodic Screening, Diagnosis and Treatment (EPSDT) - provides funding for advocacy contract to assist in addressing <i>John B.</i> lawsuit and EPSDT screening rates.	425,000	425,000	0	850,000
<b>Total Recurring Program Adjustments</b>	<b>\$206,114,000</b>	<b>\$474,139,100</b>	<b>\$51,561,000</b>	<b>\$731,814,100</b>
<b>Program Growth</b>				
Premium match - provides funding to adjust premium match percentage from 80% to 60% for FY 2004 as required by the 1115 waiver.	\$4,945,500	(\$4,945,500)	\$0	\$0
MCO Utilization Adjustment - provides for a 5.2% utilization increase for MCO services (excludes Pharmacy).	43,494,200	72,906,800	0	116,401,000
BHO Inflationary Adjustment - provides for a 4.5% inflationary increase for BHO services.	6,915,100	10,634,900	0	17,550,000
Dental Inflationary Adjustment - provides for a 5.2% inflationary increase for Dental services.	1,752,300	3,176,600	0	4,928,900
Pharmacy Inflation - provides for a 16.5% Dual Pharmacy inflationary increase; a 25.4% BHO pharmacy inflationary increase; and a 30% MCO pharmacy inflationary increase.	115,956,800	210,199,800	71,413,800	397,570,400
MCO Pharmacy Carve-out - projected increase in drug rebates from carving out MCO pharmacy program.	(31,392,900)	(56,907,300)	88,300,200	0
Single Statewide Preferred Drug List - projected savings from moving to a single statewide preferred drug list and instituting a supplemental rebate program.	(47,078,300)	(89,404,400)	(13,517,300)	(150,000,000)
Federally Qualified Health Clinics and Rural Health Clinics - provides funding for federally required prospective payment system for Federally Qualified Health Centers and Rural Health Clinics. Includes projected reimbursed costs, anticipated new facilities, and 2.6% Medicare Economic index (MEI) adjustment.	720,500	1,306,000	0	2,026,500 (cont.)

Children in State Custody (Department of Children's Services) - provides funding for Medicaid allowable expenditures for children in state custody.	1,649,200	2,967,800	0	4,617,000
Level I and Level II Nursing Home reimbursement - provides funding to allow Level I and Level II nursing facilities to be reimbursed at the projected 55th percentile.	4,820,900	8,739,100	0	13,560,000
Mental Retardation Services - provides funding for services to members transitioning from State Developmental Centers and other State systems as well as funding to address appeal issues. Also includes funding for projected inflationary increases in the private mental retardation facilities.	12,521,100	21,513,100	0	34,034,200
Elderly and Disabled Services - provides a 3% inflationary increase for Elderly Home and Community Based Service waivers and rebases PACE waiver reimbursement.	957,700	1,736,000	0	2,693,700
Medicare Cost Sharing - Medicare premium increases; provides funding for projected increase in Medicare buy-in premiums of 8.7%.	6,482,500	11,751,100	0	18,233,600
<b>Total Program Growth Adjustments</b>	<b>\$121,744,600</b>	<b>\$193,674,000</b>	<b>\$146,196,700</b>	<b>\$461,615,300</b>
<b>Total Improvement Requests</b>	<b>\$327,858,600</b>	<b>\$667,813,100</b>	<b>\$197,757,700</b>	<b>\$1,193,429,400</b>

Deputy Commissioner Martins advised the members of the committee that the Administration is committed to improving the infrastructure of the program to reduce the number of audit findings, especially the number of repeat findings. There is also a commitment to live within the budget that will be adopted by the General Assembly. However, if the *Rosen* lawsuit goes against the State and reinstatement of people removed from the rolls is required, the Bureau will need more than \$260 million in state dollars.

Deputy Commissioner Martins updated the members on the status of discussions with the federal government over the cap. This cap was agreed to by the previous administration and put an absolute cap on how much the federal government would pay into the program. As a result of this cap, the State paid out \$170 million that would otherwise have been paid by the federal government. The Administration is actively trying to recoup the \$170 million from the federal government.

Also discussed was the impact of the consent decrees on the cost of the program. The Administration is currently working with appropriate entities to relieve the State of some of the requirements and obligations of the consent decrees.

The Administration is also seeking to implement a pharmacy plan that will include a preferred drug list.

## Finance and Administration

*Cathy Higgins*

*Research Analyst, Finance, Ways and Means*

Commissioner David Goetz presented the 2003-04 budget request for the Department of Finance and Administration. The Department's proposed budget request totals \$211,885,400 of which \$12,087,000 are state dollars, \$32,372,200 are federal, and \$167,426,200 are other dollars (mostly interdepartmental revenue).

Commissioner Goetz began the presentation by giving an overview of the Department. The Department assists the governor in developing the proposed budget for the State and the Commissioner is the governor's chief financial officer. It manages the centralized accounting and financial reporting for the state and is responsible for the management of the state's information resources, capital project management, real property management, employee insurance administration, and resource development and support.

The Department met the Governor's objective of reducing expenditures to the general fund by 9 percent, which totaled \$1,027,500 and in the process eliminated 33 positions of which only 2 were filled. The decision was also made to reduce the reliance on some systems development contracts by reducing the hourly rates billed, reducing the contract workweek hours from 40 to 37.5, and reducing the use of the overall contract and instead using state employees. This modification of the contract will save the state approximately \$7.6 million in interdepartmental charges for information services.

## Department of Health

*Judy Narramore*

*Research Analyst, Health & Human Resources*

On April 16, 2003, Dr. Kenneth Robinson, Commissioner of the Department of Health, presented the Department's FY 2003-04 budget request. The Department's **proposed budget totals \$424,770,000**, which includes \$98,482,800 in state appropriations, \$219,251,900 in federal revenue, and \$107,035,300 in "other" funding.

The Department's proposed budget was reduced in state dollars to the general fund by \$7,258,200 and 44 positions for FY 2003-04 as part of Governor Bredesen's overall budget reduction. Improvements for FY 2003-04 total \$1,748,800 in state appropriations and 11 positions. Therefore, the FY 2003-04 proposed budget had a net decrease of a little more than \$5 million in state dollars and 33 positions.

Four of the six improvements requested by the Department require state funds. These include:

- Health Care Facilities - \$193,600 for nursing home inspections and initiatives.
- Regulatory Boards - \$600,000 for system replacement.
- Renal Dialysis - \$114,100 for two nurse consultant positions to conduct inspections.
- Hotel/Restaurant - \$841,100 for inspection contracts with the five metro contract counties.

**Total state appropriations for improvements: \$1,748,800**

Commissioner Robinson outlined the Department's proposed budget reductions, as follows:

### Operational Reductions

- Emergency Medical Services: -\$100,000  
Reduce state funding by recognizing increased certification and licensure fees.
- Review of Construction Plans: -\$150,000  
Reduce state funding by recognizing increased fees for review of construction plans for health care facilities.
- Vital Records: -\$500,000  
Reduce funding for the imaging system.
- Meharry Graduate Dental Contract: -\$89,700  
Eliminate support for the General Dentistry Resident Program.
- Residential Homes for the Aged (RHA) Reimbursement Program: -\$525,100  
Eliminate the RHA Quality Enabling Program.
- Immunization Supplies: -\$500,000  
Reduce state funding for purchase of vaccine supplies.
- Epilepsy Program: -\$205,200  
Eliminate contractual agreements with four Epilepsy Foundations.
- Alcohol and Drug Program: -\$1,087,000  
Reduce the Alcohol and Drug Program by 12%, which will eliminate some programs while reducing others.
- Tuberculosis: -\$850,500  
Reduce funding for outreach and faster working medications.
- Osteoporosis: -\$108,900  
Eliminate the osteoporosis education program and two positions associated with the program.
- Laboratory Services: -\$377,000  
Abolish four positions and reduce purchase of lab equipment.
- Local Health Services: -\$1,676,200  
Abolish 22 positions and reduce contracts with metropolitan counties.
- Department Wide Vacant Positions: -\$541,300  
Eliminate 16 vacant positions throughout the department.
- Chlamydia Testing: -\$100,000  
Reduce chlamydia testing supplies.
- Community Prevention Initiatives: -\$111,900  
Reduce contracts with community organizations.
- Monroe Maternity Center: -\$105,000  
Eliminate a contract with the Center.
- The Right Team: -\$100,000  
Eliminate a contract with the Tennessee Secondary School Athletic Association to provide a health education program.
- Kids in Custody Telemedicine Contract: -\$119,100  
Eliminate a contract with the University of Tennessee - Memphis to support the coordination of telemedicine links.

### Grants

- St. Jude's Hospital Grant: -\$11,300  
Reduce the grant to St. Jude's for transportation costs of needy patients and families.

**Total reduction in state appropriations: -\$7,258,200**

## Department of Human Services

Shannon Romain

Research Analyst, Children & Family Affairs Committee

The mission of the Department of Human Services is to provide an effective system of services for disadvantaged, disabled, and vulnerable Tennesseans to improve their quality of life. The department is structured into four functional areas:

- Administration
- Adult and Family Services
- Child Support
- Rehabilitation Services

### Total Reductions : \$1,517,788,400

Departmental Totals:

	Base 2002-2003	Improvement 2003-2004	Recommended 2003-2004
Full-Time	4,350	102	4,452
Part- Time	0	0	0
Seasonal	0	0	0
Total	4,350	102	4,452
Payroll	173,736,400	4,404,600	178,141,000
Operational	1,344,052,000	1,429,200	1,345,481,200
Total	\$1,517,788,400	\$5,833,800	\$1,523,622,200
State	150,660,800	1,342,800	152,003,600
Federal	1,276,292,300	4,491,000	1,280,783,300
Other	90,835,300	0	90,835,300

### Actual 2003-04 Base Reductions

	TOTAL	POSITIONS
Administration	2,501,700	67
TN Rehab. Center	225,800	7
Vocational Training	7,532,400	
Child Care Licensing	204,800	
Child Care Cert. Performance Index Survey	230,500	
State Employee Child Care	100,000	
Early Childhood Training	1,004,300	
Child Care Certificates		
Homemaker Services	500,000	
Adult Protective Services	741,000	20
TANF Maintenance of effort reduced from 80% to 75%	5,520,700	

**Note:** Under the base reduction plan presented, the department will lose approximately \$7,206,400 in federal funding.

### Contract Employees

A variety of social services and economic services are provided through contracts with non-profit agencies across the state. The Department of Human Services has contract employees in the following three program areas:

The Disability Determination Services Section contracts with 58 licensed physicians and psychologist to perform assessments regarding applicant's residual functional capacity. A majority of these contracts are based on a per assessment reimbursement.

The Division of Vocational Rehabilitation uses 32 contract employees at the Tennessee Rehabilitation Center in Smyrna. Contracted staff gives the Center the flexibility to adjust the number and type of necessary staff depending on the needs of the clients. As part of the department's reduction plan, these contracts were reviewed and a recommendation was made to convert seven of the staff to state employees.

The department has 38 contracted staff that support technology efforts. These employees are contracted through the Office of Information Resources (OIR). The department is converting sixteen of the OIR staff to state employees beginning the week of April 14, 2003. The department is scheduled to terminate four of the contracts and state employees will absorb those duties. The remaining staff will be evaluated to determine the most efficient and effective way to secure specific technology related services.

The Department of Children's Services  
Departmental Totals:

	Base 2002-2003	Improvement 2003-2004	Recommended 2003-2004
Full-Time	4,110	174	4,284
Part- Time	0	0	0
Seasonal	0	0	0
Total	<b>4,110</b>	<b>174</b>	<b>4,284</b>
Payroll	153,887,300	3,391,800	
Operational	375,262,700	13,515,200	
Total	<b>\$529,150,000</b>	<b>\$16,907,000</b>	
State	249,633,000	10,461,400	
Federal	90,612,500	1,828,	
Other	188,904,500		

## Department of Mental Health and Developmental Disabilities

*Judy Narramore*

*Research Analyst, Health & Human Resources*

On April 17, 2003, Virginia Trotter Betts, Commissioner of the Department of Mental Health and Developmental Disabilities, presented the Department's FY 2003-04 budget request. The Department's **proposed budget totals \$208,080,600**, which includes \$105,865,900 in state appropriations and \$102,214,700 in federal and "other" revenue. The FY 2003-04 budget request includes 2,913 positions.

Commissioner Betts began her presentation with a brief overview of the Department, stating that the Department is responsible for system planning, setting policy and quality standards, system monitoring and evaluation, disseminating public information and advocating for persons of all ages who have mental illness, serious emotional disturbance, or developmental disability. The Department also assists the Bureau of TennCare in administration of the TennCare Partners Program by developing and implementing a plan to monitor the programmatic aspects of the Partners Program. Monitoring responsibilities include assessment of the adequacy of the provider network and the quality of services provided.

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## Department of Mental Health and Developmental Disabilities, continued

The Department operates five regional mental health institutes (MHI): Lakeshore MHI in Knoxville, Moccasin Bend MHI in Chattanooga, Middle Tennessee MHI in Nashville, Western MHI in Bolivar, and Memphis MHI in Memphis. Since 1996, Memphis MHI has operated under a CRIPA (Civil Rights of Institutionalized Persons Act) consent decree that mandates quality of care, staffing, and clinical programming. Oversight of progress is a mutual responsibility of the Department and the Office of the Attorney General.

The Department's **proposed budget was reduced in state dollars to the general fund by \$2,217,000** for FY 2003-04 as part of Governor Bredesen's overall budget reduction. The Department had **one improvement request for FY 2003-04, which includes \$3,675,000 in state appropriations** to fund 101 positions. The recommended improvement provides funding to eliminate the overlap of two personnel in one position at the regional mental health institutes.

Commissioner Betts outlined the Department's proposed budget reductions, as follows:

- Administrative Services: -\$384,500  
Eliminate four vacant positions and reduce computer replacements.
- Mental Health Services Administration: -\$389,700  
Reduce travel, publications, and training.
- Regional Mental Health Institutes: -\$1,442,800  
Savings from reduced usage of contract nurses.

**Total reduction in state appropriations: -\$2,217,000**

## Division of Mental Retardation Services

*Judy Narramore*

*Research Analyst, Health & Human Resources*

On April 17, 2003, Richard Kellogg, Deputy Commissioner of the Division of Mental Retardation Services, presented the Division's FY 2003-04 budget request. Commissioner Kellogg began the presentation with an overview of the Division, which is responsible for providing services to Tennesseans of all ages with mental retardation and other developmental disabilities.

The Division oversees three regional offices, which coordinate services to individuals in the community, as well as the operation of three developmental centers (Arlington in the West, Clover Bottom in Middle, and Greene Valley in the East). The Division currently serves approximately 750 individuals in developmental centers and over 12,000 individuals in the community. Of the total number served, over 4,000 are served through the TennCare waiver. There are over 3,000 individuals on the waiting list, which includes individuals who are not currently receiving any services, as well as those waiting for specifically requested services that are not yet available.

The Division currently operates under four lawsuits: *United States v. State of Tennessee* (Arlington Remedial Order), *People First v. Clover Bottom, et al.* (Settlement Agreement), Revised Consent Decree Governing



TennCare Appeals (Grier Lawsuit), and *Beth Ann Brown, et al. v. Tennessee Department of Finance and Administration* (waiting list - currently in settlement negotiations).

The Division's **proposed budget for FY 2003-04 totals \$567,913,200**, which includes \$70,306,300 in state appropriations and \$497,606,900 in federal and "other" revenue (primarily interdepartmental TennCare funds). The FY 2003-04 budget request reflects a continuation budget and includes 3,751 positions for the Division. The Administration did not request a 9 percent reduction for this department.

Requested **improvements for FY 2003-04 total \$17,005,800 in state appropriations**, as follows:

- Abuse and Neglect Investigator Positions - \$160,400 for investigators for class member investigations.
- Transitions from Clover Bottom and Greene Valley Developmental Centers - \$3,250,000 to reduce the census at each center as required by the court order and the Olmstead Decision.
- Transition from Regional Mental Health Institutes - \$5,330,000 to transition 82 individuals who would be more appropriately served in a MR community setting.
- State Services for Transitions - \$270,400 to fund services that are state funded that are anticipated to be required for individuals moving from developmental centers.
- Housing Subsidies for Class Members - \$1,045,000 to provide funding for class members that are estimated to transition into the community from developmental centers that will need housing supplements.
- Harold Jordan Center Funding Replacement - \$5,700,000 to replace funding for the 32 beds that were decertified by the Center for Medicare and Medicaid Services.
- Crisis Teams - \$900,000 to create three crisis teams, one in each grand division of the state, to be dispatched to help when a crisis occurs in an individual's life, particularly a severe behavioral episode.
- Clear Overlaps Division-Wide - \$350,000 to clear remaining authorized overlaps.

**Total state appropriations for improvements: \$17,005,800**

### **Tennessee Council of Juvenile & Family Court Judges**

*Denise Sims*

*Director, House Research Division*

The Council of Juvenile and Family Court Judges is an agency that represents Tennessee's 98 courts with juvenile jurisdiction in the state's 95 counties. Its **total recommended budget for 2003-04 is \$461,700**, of which **\$416,700 are state dollars**, and \$45,000 come from other sources. The total recommended budget is the combination of payroll (\$324,800) and operational (\$136,900) expenses.

In its budget, the council shows five full time staff members. The agency has no contract employees, but it has requested services from Cooperative Education students in the Office of Information Resources (OIR) Career Employment Center to revise a software package used by 60 counties for data reporting. This project, which is a revision done every four or five years, has not yet begun. The council says it will be partially funded by federal dollars, and that there will be a savings of state dollars since it is being done through OIR.

In response to the administration's request for a nine per cent reduction, the council has reduced operational costs in state provided services. These services include printing, communications and state support services in an amount of totaling \$41,200.

## Tennessee Commission on Children & Youth

Shannon Romain

Research Analyst, Children & Family Affairs

The Tennessee Commission on Children and Youth (TCCY) is an independent state agency whose primary mission works with state agencies, juvenile courts, child advocacy groups, interested citizens and other organizations to improve the quality of life for Tennessee children and families. The Commission gathers, analyzes and reports timely information on children and families for the planning and coordination of policies, programs and services. It administers the federal Juvenile Justice and Delinquency Prevention Act, the Juvenile Accountability Block Grant and administers and distributes other federal and state funding for juvenile justice programs. The Commission is also engaged in the following activities:

- Improving the coordination of services for children
- Collecting and disseminating statistical and programmatic information
- Informing citizens and organizations of children
- Tracking legislation and making recommendations to the Governor and the Legislature.
- Evaluating the delivery of services to children in state custody and their families through the Children's Program Outcome Review Team (CPORT).

The Commission's total budget reduction is \$152,600. Additionally, the Commission received a reduction in \$186,100 in interdepartmental funding from the Department of Children's Services. Currently, the Commission's total proposed budget of \$10,714,100 for 2003-04 FY is allocated as follows:

State	\$1,542,700.00
Federal	\$6,900,900.00
Inter-departmental funding from the Department of Children's Services	\$2,195,500.00
Other (Annie E. Casey Foundation)	\$75,000.00
Total	\$10,714,100.00

	Estimated 2002-03	Base 2003-04	Improvements 2003-04	Recommended 2003-04
Full-Time	52	50	0	50
Part-Time	5	2	0	2
Seasonal	0	0	0	0
<b>Total</b>	<b>57</b>	<b>52</b>	<b>0</b>	<b>52</b>
Payroll	2,324,700	2,218,400	0	2,218,400
Operational	8,728,100	8,681,800	0	8,681,800
<b>Total</b>	<b>\$11,052,800</b>	<b>\$10,900,200</b>	<b>\$0</b>	<b>\$10,900,200</b>
State	1,695,300	1,542,700	0	1,542,700
Federal	6,900,900	6,900,900	0	6,900,900
Other	2,456,600	2,456,600	0	2,456,600

Approximately \$3965,00 is required to match federal funds at varying rates. The Commission used the following criteria to identify budget reductions:

- Maintenance of personnel in positions required by state law
- Avoidance of impact on federal match requirements
- Minimization of impact on programs and operations
- Avoidance of reductions in filled positions

The commission has eliminated all vacant positions. Currently, two full-time and three part-time positions have been left open in anticipation of cuts.

The Commission does not have contract employees in the usual sense. In addition to 12 full time employees, the Commission uses external service providers, or reviewers, to review CPORT cases. Reviewers must complete four days of uncompensated training and are paid a rate of \$400 per case reviewed.

Linda O'Neal, Executive Director of the TCCY reported that the commission is concerned about the potential loss of 90 of 150 early childhood education classrooms as a result of the exhaustion of federal Temporary Assistance for Needy Families (TANF) funding. Currently, \$9 million in TANF funds is no longer available. There is \$6 million remaining in state funding for the classrooms. The hope is that proceeds from the lottery will prevent the loss.